

DAVID Y. IGE
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LATE



KATHRYN S. MATAYOSHI
SUPERINTENDENT

STATE OF HAWAII
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAII 96804

Date: 03/16/2015
Time: 02:00 PM
Location: 309
Committee: House Education

Department: Education

Person Testifying: Kathryn S. Matayoshi, Superintendent of Education

Title of Bill: SB 0854, SD2 RELATING TO PUBLIC SCHOOL LANDS.

Purpose of Bill: Requires public school lands that are leased to benefit public educational purposes rather than simply to be used for public purposes. Authorizes the DOE to enter into lease back agreements. (SD2)

Department's Position:

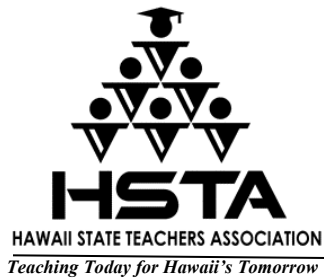
The Department of Education (DOE) strongly supports S.B. 854 SD 2, which proposed to amend the language of Act 155 SLH 2013 by clarifying that public school lands that are leased to benefit public educational purposes rather than simply to be used for public purposes and authorizing the DOE to enter into lease-back agreements.

Since its approval in 2013, the DOE has been meeting with government agencies such as the Office of Environmental Quality Control (OEQC) and the City and County of Honolulu, Department of Planning and Permitting to ensure the implementation of Act 155 complies with all applicable laws. In addition, DOE has also been meeting with various private developers to structure a process that complies with all existing laws, and will attract private developers to invest in the redevelopment of underutilized DOE facilities.

The proposed bill is in response to comments received in the initial round of discussions with agencies, developers and other interested parties. It provides clarification in certain areas of the Act and allows for the possibility of a public-private partnership through a simple "lease-back" arrangement.

We strongly encourage the Legislature to approve S.B 854, SD 2 as it will allow the implementation of Act 155 to proceed in an expeditious manner.

Thank you for the opportunity to express our views on this matter.



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TESTIMONY BEFORE THE HOUSE
COMMITTEE ON EDUCATION

Wil Okabe
President
Joan Kamila Lewis
Vice President
Colleen Pasco
Secretary-Treasurer
Wilbert Holck
Executive Director

DATE: MONDAY, MARCH 16, 2015

RE: S.B. 854, S.D. 2 - RELATING TO PUBLIC SCHOOL LANDS

PERSON TESTIFYING: JOAN LEWIS, VICE PRESIDENT
HAWAII STATE TEACHERS ASSOCIATION

The Honorable Chair Roy Takumi, Honorable Vice Chair Takashi Ohno and Members of the Committee:

The Hawaii State Teachers Association (HSTA) **supports S.B. 854, S.D. 2** relating to public school lands leased to benefit public educational purposes.

HSTA believes that adequate buildings should be provided to meet the needs of programs such as science, physical education, music, art, industrial arts, audiovisual, and health. This bill requires the pilot project currently underway to include in its consideration of the land usage, “public educational purposes”. This would seem to be the direction the DOE would take as a first step – to provide facilities to meet the educational needs of their students.

HSTA, on behalf of Hawai'i's 13,500 public and public charter school teachers **supports S.B. 854, S.D. 2.**

BIA-HAWAII

BUILDING INDUSTRY ASSOCIATION

THE VOICE OF THE CONSTRUCTION INDUSTRY

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Testimony to the House Committee on Education **Monday, March 16, 2015** **2:00 p.m.** **State Capitol - Conference Room 309**

RE: S.B. 854, S.D. 2, RELATING TO PUBLIC SCHOOL LANDS

Chair Takumi, Vice-Chair Ohno, and members of the Committee:

My name is Gladys Marrone, Chief Executive Officer for the Building Industry Association of Hawaii (BIA-Hawaii), the Voice of the Construction Industry. We promote our members through advocacy and education, and provide community outreach programs to enhance the quality of life for the people of Hawaii. BIA-Hawaii is a not-for-profit professional trade organization chartered in 1955, and affiliated with the National Association of Home Builders.

BIA-Hawaii **supports** S.B. 854 S.D. 2, which proposes to amend the language of Act 155 SLH 2013 by clarifying that public school lands that are leased to benefit public educational purposes rather than simply to be used for public purposes and authorizing the Department of Education (DOE) to enter into lease-back agreements.

Since its approval in 2013, the DOE has been meeting with government agencies such as the Office of Environmental Quality Control (OEQC) and the City and County of Honolulu, Department of Planning and Permitting to insure the implementation of Act 155 complies will all applicable laws. In addition, DOE has also been meeting with various private developers for input so as to structure a process that complies will all existing laws while attracting private developers to invest in the redevelopment of underutilized DOE facilities.

The proposed bill is in response to comments received in the initial round of discussions with agencies, developers and other interested parties. It provides clarification in certain areas of the Act and allows for the possibility of a public-private partnership through a simple "lease-back" arrangement.

We strongly encourage the Legislature to approve proposed amended language that will allow the implementation of Act 155 to proceed in an expeditious manner.

Thank you for the opportunity to express our views on this matter.



March 12, 2015

Representative Roy M. Takumi, Chair
Representative Takashi Ohno, Vice Chair
House Committee on Education

Comments Regarding SB 854, SD2 Relating to Public School Lands (Requires public school lands that are leased to benefit public educational purposes rather than to be used for public purposes; Authorizes the State Department of Education [DOE] to enter into lease-back agreements.)

Monday, March 16, 2015, 2:00 p.m., in Conference Room 309

The Land Use Research Foundation of Hawaii (“LURF”) is a private, non-profit research and trade association whose members include major Hawaii landowners, developers and a utility company. LURF’s mission is to advocate for reasonable, rational and equitable land use planning, legislation and regulations that encourage well-planned economic growth and development, while safeguarding Hawaii’s significant natural and cultural resources, and public health and safety.

SB 854, SD2. The purpose of this bill is to amend Hawaii Revised Statutes (HRS) Section 302A-1151.1 to require public school lands that are leased to benefit public educational purposes rather than simply to be used for public purposes. The bill also proposes to amend HRS Section 302A-1151.1 to authorize the DOE to enter into lease-back agreements.

LURF’s Position. LURF **supports the intent of SB 854, SD2**, because it supports and furthers innovative methods through which the State may use its assets to obtain funding to benefit Hawaii’s public schools and public school children.

The pilot program to lease public school land under HRS Section 302A-1151.1 was established in recognition of the unmet community development needs of the State, including undercapitalized public school facilities, and the need to cooperate with private enterprise and the various components of government to bring the proposed project to fruition. Legislation enabling the DOE to lease public school land was drafted to state that the DOE was allowed to do so on specified terms, to lessees who would modify, construct, or utilize facilities to “meet public purposes.”

Consistent with this measure, LURF understands that the intent underlying this effort was always to allow the lease and redevelopment of public school lands for any purpose, so long as the revenue from any such redevelopment would be applied toward public educational purposes.

LURF continues to encourage inventive means of utilizing excess and underused public school assets to generate funding for the benefit of public school children, and urges this Committee to continue supporting models and strategies of public private partnerships which have proven successful in Hawaii.

Thank you for the opportunity to provide comments relating to this measure.



Chamber of Commerce HAWAII

The Voice of Business

**Testimony to the House Committee on Education
Monday, March 16, 2015 at 2:00 P.M.
Conference Room 309, State Capitol**

RE: SENATE BILL 854 SD2 RELATING TO PUBLIC SCHOOL LANDS

Chair Takumi, Vice Chair Ohno, and Members of the Committee:

The Chamber of Commerce Hawaii (“The Chamber”) **supports** S.B. 854 SD 2, which proposed to amend the language of Act 155 SLH 2013 by clarifying that public school lands that are leased to benefit public educational purposes rather than simply to be used for public purposes and authorizing the Department of Education (DOE) to enter into lease-back agreements.

The Chamber is Hawaii’s leading statewide business advocacy organization, representing about 1,000 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the “Voice of Business” in Hawaii, the organization works on behalf of members and the entire business community to improve the state’s economic climate and to foster positive action on issues of common concern.

Since its approval in 2013, the DOE has been meeting with government agencies such as the Office of Environmental Quality Control (OEQC) and the City and County of Honolulu, Department of Planning and Permitting to insure the implementation of Act 155 complies with all applicable laws. In addition, DOE has also been meeting with various private developers to structure a process that complies with all existing laws, and will attract private developers to invest in the redevelopment of underutilized DOE facilities.

The proposed bill is in response to comments received in the initial round of discussions with agencies, developers and other interested parties. It provides clarification in certain areas of the Act and allows for the possibility of a public-private partnership through a simple “lease-back” arrangement.

We strongly encourage the Legislature to approve S.B. 854, SD 2 as it will allow the implementation of Act 155 to proceed in an expeditious manner.

Thank you for the opportunity to express our views on this matter.



The Mālama Learning Center is a place in West O'ahu that brings art, science, conservation and culture together to promote sustainable living throughout Hawai'i. Our mission is to teach and inspire communities to create healthy living environments.

The Honorable Roy M. Takumi, Chair
The Honorable Takashi Ohno, Vice Chair
House Committee on Education

**TESTIMONY IN SUPPORT OF SB NO. 854, SD 2
Relating to Public School Lands
with Additional Amendments**

Hearing Date: Monday, March 16, 2015, 2:00 pm, Conference room 309

To the Honorable Chair Takumi, Vice Chair Ohno, and committee members:

Aloha. My name is Pauline Sato and I serve as the Executive and Program Director of the Mālama Learning Center, a private, non-profit environmental education organization serving schools and communities in West O'ahu. I am testifying in support of SB No. 854, SD 2, however, only with the addition of an amendment that would clarify the intent of HRS 302A-1151.1, known as Act 155 – a pilot program for lease of public school lands, which is being amended as SB No. 854, SD2. While we appreciate the intent of the statute, it creates unintended consequences that severely limit school and community partnerships, particularly for small non-profits such as the Mālama Learning Center. The following are the key points:

- The statute establishes a pilot program that allows the Department of Education (DOE) to lease unused lands on school campuses and gain income from the leases for building improvements. The Attorney General for the DOE is interpreting the law such that any new privately funded building falls under Act 155, which is currently unimplemented.
- This interpretation has severely impacted the Mālama Learning Center, a private non-profit based at Kapolei High School that has been serving West O'ahu schools and communities by providing educational programs for students and teachers on environmental and sustainability education since 2004. Our programs primarily serve the DOE and are free or of nominal charge, made possible by grants and donations.
- With public and private funds that our board has raised, we have been trying for more than two years to build a small structure to house our office and classroom space for our programs on the campus of Kapolei High School. Unfortunately, according to the Attorney General's interpretation of the law, it is impossible to proceed. Act 155 was never meant to stop projects like ours. SB 854, SD2 needs to be amended so that the statute does not continue to curtail the work of non-profits like the Mālama Learning Center that are serving schools directly.
- We propose the following language to amend SB 854, SD 2: (g) Nothing in this bill precludes the department from entering into a lease or other agreement with non-profit organizations that provide educational benefits primarily for the school, complex, or district within which the lands are located, pursuant to section 171-13.

Thank you very much for the opportunity to testify and I sincerely hope that we have your support in correcting this matter so that authentic school and community partnerships can endure.

SB854

Submitted on: 3/15/2015

Testimony for EDN on Mar 16, 2015 14:00PM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
James Gauer	Individual	Support	No

Comments: I find it fair and equitable for public to use public school grounds for educational pursuit as well.